

Hjalmar Schacht on the Stabilization of the Mark (1927)

Abstract

Hjalmar Schacht (1877-1970) had already made a remarkable career as a banker in the German Empire, which initially continued in the Weimar Republic. In 1923, as Currency Commissioner, he played a key role in the introduction of the Rentenmark, which put an end to hyperinflation in Germany. In this excerpt from his book *Die Stabilisierung der Mark*, published in 1927, Schacht looks back on his appointment as Currency Commissioner and describes the extraordinary powers he was given in this role to ensure currency stabilization. After Reichsbank President Havenstein died suddenly at the end of November 1923, Schacht ran for the office and prevailed against the will of the Board of Directors, so that he was appointed the new Reichsbank President at the end of December 1923. In 1930, he resigned in protest against the government's financial policy and moved closer to National Socialism in the following years. Hitler reappointed him Reichsbank President in 1933 and Schacht successfully continued his career under National Socialism.

Source

THE STABILIZATION OF THE MARK

At midday on November 12th, 1923, the Finance Minister, Dr. Luther, summoned me and informed me of the intention of the Government of the Reich to appoint a special Currency Commissioner to be entrusted with the task of stabilization and in particular with the introduction of the Rentenmark. The Government, he said, and the Finance Minister in particular, were so overburdened with their other administrative duties that they were not in a position to undertake the stabilization of the currency as a side line. The task was one of such importance, and called for such careful handling and attention, that it was essential that someone should devote himself with his entire energy to it and nothing else. He accordingly asked me in the name of the Government whether I was prepared to undertake the duty.

[...]

I had, however, been resolved for some time past whatever happened not to be found wanting in the hour of general need, if application should be made to me; and I accordingly began by asking what powers it was proposed to give to the Currency Commissioner.

Dr. Luther replied, indicating the powers it was proposed to grant in the following terms:

1. A Commissioner of the Reich, for questions of Currency, will be attached to the Finance Minister of the Reich.
2. The Currency Commissioner of the Reich is empowered to take part in all meetings of the Cabinet with a consultative voice. He is directly responsible, to the Government of the Reich in particular, for the issue of the necessary measures as required.
3. All measures of Ministries of the Reich, which may affect the currency, require the signature in addition of the Currency Commissioner, save in so far as they are measures in application of principles already approved by the Currency Commissioner. The competence of the Ministers is not affected thereby.
4. Any measure, to which the Currency Commissioner does not give his assent, and any rejection by the competent officials of a suggestion of the Currency Commissioner, is to be submitted to the competent

Minister for decision. In the event of agreement not being reached between the Minister and the Currency Commissioner the Government of the Reich is to decide.

These, it is true, were no ordinary powers. They gave the Currency Commissioner the possibility of intervening in any question affecting the currency and of obtaining a decision of the Cabinet in any single case. No doubt they were not the powers of a Dictator; but under a Parliamentary regime dictatorial powers would have been impossible. But it is not always freedom of action which is required in the case of decisive problems, but the power before action is taken to bring the responsibility home to the legally competent authorities. [...]

Source: Hjalmar Schacht, *The Stabilization of the Mark*. New York: Adelphi Co., 1927, pp. 90–93.
Source of original German text: Hjalmar Schacht, *Die Stabilisierung der Mark*. Stuttgart: Deutsche Verlags-Anstalt, 1927, pp. 64–66.

Recommended Citation: Hjalmar Schacht on the Stabilization of the Mark (1927), published in: German History in Documents and Images, <https://germanhistorydocs.org/en/weimar-germany-1918-1933/ghdi:document-4421> [March 16, 2026].